

SCA 3 (Leno, Hill, Pavley)

Introduced 12/03/12

School District Parcel Taxes

SUMMARY

SCA 3 allows local school districts, community college districts and county offices of education to approve a local parcel tax with a 55 percent majority rather than the two-thirds majority currently required, provided that certain accountability restrictions are met. By lowering the vote threshold, SCA 3 provides for local choice and control, and conforms the vote required for a parcel tax to the 55 percent majority required for local school bonds.

BACKGROUND

The California Constitution currently requires a two-thirds majority of the voters to approve a local parcel tax placed on the ballot by their school district or community college district. (A parcel tax is a flat tax usually assessed per parcel of land, regardless of the parcel's market value.) State law allows a school bond to be approved by 55% of the voters in a local school or community college district.

Local school districts have limited options for raising additional revenue that is not controlled by the state and can be spent in furtherance of local priorities. A parcel tax is one of the very few ways local school districts can raise discretionary revenue. SCA 3 will increase local choice for local education needs, while ensuring that every dollar generated goes to the school district for locally identified purposes. In the past,

school districts have used parcel tax money to enhance instructional programs, hire additional teachers, and support libraries, music, and arts programs, reflecting local priorities in those local districts.

PROBLEM

The two-thirds vote required for local parcel taxes is a significant impediment to raising revenue at the local level. Even when a parcel tax has the support of a significant majority of district parcel owners, it would fail passage if a relatively small minority of voters oppose it. Given the state's on-going financial crisis, school districts have faced years of severe cutbacks in funding. School districts need ways to maintain and restore quality programs in their schools. SCA 3 provides school districts with much-needed flexibility in raising local educational funds.

California still lags far behind virtually all other states (ranking 47th according to one recent analysis because of the high cost of living in the state) in its amount of per pupil spending.

SOLUTION – SCA 3

SCA 3 authorizes school districts, community college districts, or county offices of education to impose a parcel tax on real property by a 55 percent vote of the voters in the district or county under specified circumstances, including:

- The district governing board approves the proposition by a majority vote;
- The ballot proposition contains a specific list of programs and purposes to be funded, and a requirement that funds be spent solely for those programs and purposes;
- The ballot proposition includes a requirement for annual independent audit of the amount of tax proceeds collected and expended and the specified purposes and programs funded;
- The ballot proposition requires the governing board to create a citizens' oversight board to review all expenditures of proceeds and financial audits, and report its findings to the governing board and the public;
- The ballot proposition allows for an exemption from the tax for parcels owned by persons over the age of 65 or those receiving SSI.

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The measure also defines "parcel tax" as a special tax imposed upon real property at a rate determined without regard to the property's value. Tax proceeds may not be used to fund administrative salaries. SCA ___ also makes clarifying and conforming changes to the Constitution.

STATUS

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FOR MORE INFORMATION

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